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DUCROS MINES LIMITED

(NO PERSONAL LIABILITY)



ANNUAL REPORT 1970



**BROSSARD
GROUP**

DUCROS MINES LIMITED

(NO PERSONAL LIABILITY)

Directors

LEO BROSSARD, *Mount-Royal, P.Q.*
GUSTAVE MAHER, *City of Laval, P.Q.*
JACQUES ANGERS, *Mount-Royal, P.Q.*
JACQUES DOUCET, *Pointe-aux-Trembles, P.Q.*
GAËTAN J. CÔTÉ, *Knowlton, P.Q.*
PIERRE MAUFFETTE, *Outremont, P.Q.*
ADRIEN RENAUD, *Ile Perrot North, P.Q.*

Officers

LEO BROSSARD, *President*
GUSTAVE MAHER, *Vice-President*
JACQUES ANGERS, *Secretary*
JACQUES DOUCET, *Treasurer*

Transfer Agent and Registrar

GUARANTY TRUST COMPANY OF CANADA

Auditors

RAYMOND, CHABOT, MARTIN, PARÉ & CIE, C.A., Montreal

Head Office

360, ST. JAMES STREET WEST, SUITE 1524, MONTREAL, QUEBEC

Field Office

163, PERREAULT BLVD., BOURLAMAQUE, QUEBEC

Directors' Report to the Shareholders

We are pleased to submit the financial statements for the fiscal year ended January 31st, 1970, with a review of your Company's activities.

During the year your Company concentrated most of its exploration efforts on its 1,000-acre group adjoining the property of East Sullivan Mines Limited in Bourlamaque township near Val d'Or, Quebec.

From January 1969 to the end of the fiscal year twenty-four holes totalling 16,826 feet were completed on this property; except for one hole to investigate a magnetic anomaly in the central section, all these holes were drilled in the southern part near the south contact of the Center Post intrusive mass in two areas approximately half a mile apart.

Fifteen holes are located on the "South Zone" near the township center line; five of these were drilled jointly with First Orenada Mines Limited along or near the common boundary of the two companies. High copper assays over relatively narrow widths or low values over considerable lengths were encountered in several holes with long sections exhibiting the "porphyry-copper" type of mineralization.

Eight holes were drilled in a second zone about half a mile northwest of the South Zone. All holes encountered copper mineralization and a few sections were of ore grade. Drilling is continuing.

In October 1969, your Company took an option on 20 claims tying onto the southeast corner of its main property and an electromagnetic survey is being carried out on this group.

During the year Ducros obtained additional financing by selling 400,000 treasury shares for \$180,000. Shares of the company were listed on the Canadian Stock Exchange and called for trading on January 29, 1970.

On behalf of the Board,

Montreal, Quebec,
March 18, 1970.

LEO BROSSARD,
President.

Balance Sheet

as at January 31, 1970

ASSETS**CURRENT ASSETS**

Cash		\$10,032.51
Term deposit		35,000.00
Interest receivable		6,896.82
		<u>51,929.33</u>

INVESTMENTS, at cost

Marketable bonds (Note 1)	150,830.00	
100,000 shares of Naganta Mining & Development Co. Ltd. (an affiliated mining company)	<u>25,000.00</u>	175,830.00

MINING PROPERTIES, at cost

Claims (Note 2)		77,500.00
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DEFERRED EXPENSES

Development, exploration and administration expenses — Statement 3		169,582.14
		<u>\$474,841.47</u>

LIABILITIES**CURRENT LIABILITIES**

Accounts payable and accrued charges		\$ 7,163.30
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SHAREHOLDERS' EQUITY

Capital Stock (Note 3)		
Authorized:		
5,000,000 common shares with a par value of \$1 each		
Issued and fully paid:		
750,000 shares for claims (of which 500,000 are held in escrow)	750,000.00	
Discount thereon	<u>675,000.00</u>	75,000.00
1,450,007 shares for cash (of which 400,000 were issued during the year for \$180,000	1,450,007.00	
Discount thereon	<u>1,045,000.00</u>	405,007.00
<u>2,200,007</u>		<u>480,007.00</u>
Deficit — Statement 2	<u>12,328.83</u>	467,678.17
		<u>\$474,841.47</u>

Signed on behalf of the Board,

LEO BROSSARD, *Director*JACQUES ANGERS, *Director***AUDITORS' REPORT**

To the shareholders of
Ducros Mines Limited
(No personal liability)

We have examined the balance sheet of DUCROS MINES LIMITED (No personal liability) as at January 31, 1970 and the statements of deficit, deferred development, exploration and administration expenses and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and explanations given to us and as shown by the books of the company, these financial statements present fairly the financial position of the company as at January 31, 1970 and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, March 3, 1970

RAYMOND, CHABOT, MARTIN, PARE & ASSOCIES
Chartered Accountants

**STATEMENT OF DEFERRED DEVELOPMENT,
EXPLORATION AND
ADMINISTRATION EXPENSES**

for the year ended January 31, 1970

	From March 19, 1965 to January 31, 1969	Year ended January 31, 1970	Expenses transferred to deficit during the year	Balance January 31, 1970
DEVELOPMENT AND EXPLORATION				
Geophysical and geological surveys	16,384.42	4,919.96	718.01	\$ 20,586.37
Diamond drilling and assaying	28,943.07	85,751.37	3,302.75	111,391.69
Taxes on claims	943.38	675.20	263.38	1,355.20
Draughting, mapping and photography	531.22	4,235.34	194.19	4,572.37
Travelling and transportation	866.63	2,059.70	151.29	2,775.04
Engineering and consulting fees	8,629.00	10,404.97	1,250.00	17,783.97
Rent and maintenance of building	600.00	255.00	137.50	717.50
	<u>56,897.72</u>	<u>108,301.54</u>	<u>6,017.12</u>	<u>159,182.14</u>
ADMINISTRATION				
Public relations	1,280.60	1,796.25	98.83	2,978.02
Rent	1,350.44	628.37	74.65	1,904.16
Taxes and licenses	639.82	554.10	42.34	1,151.58
Transfer agent's fees and expenses	837.42	169.11	37.58	968.95
Listing on Canadian stock exchange		1,000.00		1,000.00
Audit, legal and consulting fees	2,287.25	7,696.30	219.47	9,764.08
Stationery and printing	2,059.02	1,965.34	158.87	3,865.49
Advertising		18.40	0.74	17.66
Bank charges	11.30	25.80	1.23	35.87
Office salaries	3,018.34	2,435.22	168.73	5,284.83
Office expenses	301.84	243.01	16.87	527.98
Telephone	558.07	397.10	34.50	920.67
Administration fees	1,450.00	1,400.00	182.00	2,668.00
Directors' fees	300.00	325.00	16.00	609.00
	<u>14,094.10</u>	<u>18,654.00</u>	<u>1,051.81</u>	<u>31,696.29</u>
Less: Interest income	<u>6,669.29</u>	<u>14,627.00</u>		<u>21,296.29</u>
	<u>7,424.81</u>	<u>4,027.00</u>	<u>1,051.81</u>	<u>10,400.00</u>
	<u>64,322.53</u>	<u>112,328.54</u>	<u>7,068.93</u>	<u>\$169,582.14</u>

The deferred development, exploration and administration expenses as at January 31, 1970 were incurred in the township of Bourlamaque.

STATEMENT OF DEFICIT

for the year ended January 31, 1970

Claims and option abandoned	\$ 1,243.54
Development and exploration expenses on claims and option abandoned	6,017.12
Administration expenses on claims and option abandoned	1,051.81
Organization expenses written off	4,166.36
	<u>12,478.83</u>
Less: Profit on sale of investments	150.00
	<u>\$12,328.83</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended January 31, 1970

SOURCE OF FUNDS

Issue of 400,000 shares of capital stock	\$180,000.00
Proceeds from sale of investments	50,150.00
	<u>230,150.00</u>

APPLICATION OF FUNDS

Investments in marketable bonds	200,000.00	
Investment — 100,000 shares of Naganta Mining & Development Co. Ltd.	25,000.00	
Claims	2,743.54	
Development, exploration and administration expenses	<u>112,328.54</u>	340,072.08
Increases (Decrease) in working capital		(109,922.08)
Working capital at beginning of year		154,688.11
Working capital at end of year		<u>\$ 44,766.03</u>

NOTES TO FINANCIAL STATEMENTS

January 31, 1970

1 — Marketable Bonds:

	Par Value	Market Value	Cost
Canada, 8%, 2/1/1973	50,000.00	49,937.50	\$ 50,000.00
Canada, 3¼%, 6/1/1976	1,000.00	745.00	830.00
Canada, 8%, 7/1/78	100,000.00	98,000.00	100,000.00
	<u>151,000.00</u>	<u>148,682.50</u>	<u>\$150,830.00</u>

2 — Claims:

Twenty-eight (28) claims held under development licenses, situated in the township of Bourlamaque, acquired and paid for the issue of 750,000 shares at a discount of \$0.90 each

\$ 75,000.00

Fifteen (15) claims held under prospector's licenses, situated in the township of Bourlamaque, acquired and paid for in cash

2,500.00

\$ 77,500.00

Under the terms of an agreement dated October 14, 1969, the company was granted a two-year option on twenty (20) claims situated in the township of Bourlamaque. The exercise of this option will require the incorporation of a new company with an authorized capital of 3,000,000 shares of which 375,000 escrowed shares are to be allotted to the optioners.

Twenty (20) claims situated in the township of Quevillon carried at a cost of \$243.54 were abandoned during the year. A three-year option on ten (10) claims situated in the townships of Coleraine (6) Adstock (4) and carried at a cost of \$1,000 was also abandoned during the year.

3 — Capital Stock:

250,000 shares, held in escrow, were released during the year.

ETAT DE SOURCE ET D'EMPLOI DES FONDs

pour l'année terminée le 31 janvier 1970

SOURCE DES FONDs

Emission de 400,000 actions du capital-actions	\$ 180,000.00
Vente de placements en obligations	50,150.00
	<u>230,150.00</u>
EMPLOI DES FONDs	
Placements en obligations négociables	200,000.00
Placements — 100,000 actions de Naganta Mining & Development Co. Ltd.	25,000.00
Claims	2,743.54
Frais de développement, d'exploration et d'administration	112,328.54
Augmentation (diminution) du fonds de roulement	340,072.08
Fonds de roulement au début de l'année	(109,922.08)
Fonds de roulement à la fin de l'année	<u>\$ 44,766.03</u>

NOTES AUX ETATS FINANCIERS

du 31 janvier 1970

1 — Obligations négociables :

Valeur nominale	Valeur du marché	Coût
50,000.00	49,937.50	\$ 50,000.00
1,000.00	745.00	830.00
100,000.00	98,000.00	100,000.00
151,000.00	148,682.50	<u>\$150,830.00</u>

2 — Claims:

Vingt-huit (28) claims, détenus en vertu de permis de mise en valeur, situés dans le canton de Bourlamaque, acquis et payés par l'émission de 750,000 actions à un escompte de \$0.90 chacune	\$ 75,000.00
Quinze (15) claims détenus en vertu de permis de prospecteur, situés dans le canton de Bourlamaque, acquis et payés comptant	2,500.00
	<u>\$ 77,500.00</u>

Selon les termes d'une convention intervenue le 14 octobre 1969, la compagnie détient une option de deux ans sur vingt (20) claims, situés dans le canton de Bourlamaque. L'exercice de l'option requiert l'incorporation d'une nouvelle compagnie au capital autorisé de 3,000,000 d'actions dont 375,000 actions, sous écou, seront attribuées aux détenteurs actuels des claims.

Vingt (20) claims situés dans le canton de Quévillon acquis au coût de \$243.54 ont été abandonnés durant l'année. Une option valable pour trois ans sur dix (10) claims situés dans les cantons de Coleraine (6) et Adstock (4) acquis au coût de \$1,000 a aussi été abandonnée au cours de l'année.

3 — Capital-actions :

250,000 actions, qui étaient détenues sous écou, ont été libérées durant l'année.

ETAT DES FRAIS REPORTES DE DEVELOPPEMENT,

D'EXPLORATION ET

D'ADMINISTRATION

pour l'année terminée le 31 janvier 1970

DEVELOPPEMENT ET EXPLORATION

Levés géologiques et géophysiques
Sondages au diamant et analyses
Taxes sur claims
Dessins et plans
Frais de voyages et de transport
Honoraires d'ingénieurs
Loyer et entretien de l'immeuble

Du
19 mars
1965 au
31 janvier
1969

Année
terminée
le
31 janvier
1970

Dépenses
transférées
au déficit
au cours de
l'année

Solde
au
31 janvier
1970

16,384.42	4,919.96	108,301.54	6,017.12	159,182.14
28,943.07	85,751.37	675.20	3,302.75	111,391.69
943.38	675.20	263.38	1,355.20	4,572.37
531.22	4,235.34	194.19	1,355.20	2,775.04
866.63	2,059.70	151.29	2,775.04	17,783.97
8,629.00	10,404.97	137.50	1,250.00	717.50
600.00	255.00	137.50	1,250.00	717.50
56,897.72	108,301.54	6,017.12	159,182.14	159,182.14

Frais de représentation

Loyer

Taxes et permis

Honoraires du registraire et de

l'agent de transfert

Frais d'inscription à la bourse

Canadienne

Conteneurs, vérification et

consultations

Papeterie et impressions

Annonces

Frais de banque

Salaires de bureau

Dépenses de bureau

Téléphone

Honoraires d'administration

Jetons de présence

Moins : Revenus d'intérêts

1,280.60	1,796.25	1,796.25	98.83	2,978.02
1,350.44	628.37	628.37	74.65	1,904.16
639.82	554.10	554.10	42.34	1,151.58
837.42	169.11	169.11	37.58	968.95
2,287.25	7,696.30	7,696.30	219.47	9,764.08
2,059.02	1,965.34	1,965.34	158.87	3,865.49
11.30	18.40	18.40	0.74	17.66
25.80	1.23	1.23	35.87	35.87
2,435.22	168.73	168.73	5,284.83	5,284.83
243.01	16.87	16.87	527.98	527.98
397.10	34.50	34.50	920.67	920.67
1,400.00	182.00	182.00	2,668.00	2,668.00
325.00	16.00	16.00	609.00	609.00
18,654.00	1,051.81	1,051.81	31,696.29	31,696.29
14,627.00	1,051.81	1,051.81	21,296.29	21,296.29
4,027.00	1,051.81	1,051.81	10,400.00	10,400.00
112,328.54	7,068.93	7,068.93	\$169,582.14	\$169,582.14

Les frais reportés de développement, d'exploration et d'administration au 31 janvier 1970 s'appliquent au canton de Bourlambaque.

ETAT DE DÉFICIT

pour l'année terminée le 31 janvier 1970

Claims et option abandonnés

Frais de développement et d'exploration sur claims et option abandonnés

Frais d'administration sur claims et option abandonnés

Frais de constitution radlés

Moins : Profit sur vente de placements

\$ 1,243.54
6,017.12
1,051.81
4,166.36
12,478.83
150.00
\$12,328.83

Rapport des Administrateurs aux Actionnaires

Nous sommes heureux de vous présenter les états financiers au 31 janvier 1970 ainsi qu'une revue des activités de votre Compagnie.

Pendant l'année, votre Compagnie a surtout concentré ses efforts dans l'exploration de son groupe de 1,000 acres adjacents à la propriété de East Sullivan Mines Limited dans le canton Bourlamaque près de Val d'Or, Québec.

Du début de 1969 à la fin de l'exercice financier on a complété sur cette propriété vingt-quatre forages totalisant 16,826 pieds; sauf un sondage pour explorer une anomalie magnétique dans la section centrale, tous ces trous ont été forés dans la partie sud près du contact du massif "Center Post" dans deux secteurs à environ un demi-mille l'un de l'autre.

Quinze forages se trouvent sur la "Zone Sud" près de la ligne centrale du canton; cinq d'entre eux furent forés conjointement avec First Orenada Mines Limited près de la frontière commune des deux compagnies. Plusieurs forages ont révélé soit de hautes teneurs en cuivre sur des largeurs relativement faibles, soit de basses valeurs sur des longueurs considérables qui contiennent de la minéralisation du type "Porphyry Copper".

Huit trous forés dans la deuxième zone à environ un demi-mille au nord-ouest de la Zone Sud ont tous rencontré de la minéralisation en cuivre. On a recoupé quelques sections de teneur commerciale. Les forages se poursuivent.

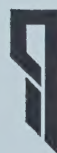
En octobre 1969, votre Compagnie prit une option sur un groupe de 20 claims attenants au coin sud-est de sa propriété principale; on est à exécuter un levé électromagnétique sur ces terrains.

Au cours de l'année, Ducros a obtenu des fonds additionnels en vendant 400,000 actions du trésor pour une somme de \$180,000. De plus, les actions de votre Compagnie ont été inscrites à la Bourse Canadienne où elles ont commencé à se transiger le 29 janvier 1970.

Au nom du Conseil d'administration,

LEO BROSSARD,
Président.

Montréal, Québec,
le 18 mars 1970.



DUROS MINES LIMITÉE
(LIBRE DE RESPONSABILITÉ PERSONNELLE)

Conseil d'Administration

LÉO BROSSARD, Mont-Royal, P.Q.
GUSTAVE MAHER, Ville de Laval, P.Q.
JACQUES ANGERS, Mont-Royal, P.Q.
JACQUES DOUCET, Pointe-aux-Trembles, P.Q.
GAËTAN J. CÔTÉ, Knowlton, P.Q.
PIERRE MAUFFETTE, Outremount, P.Q.
ADRIEN RENAUD, Ile Perrot Nord, P.Q.

Direction

LÉO BROSSARD, Président
GUSTAVE MAHER, Vice-Président
JACQUES ANGERS, Secrétaire
JACQUES DOUCET, Trésorier

Régistrare et agent de transfert

LA COMPAGNIE GUARANTY TRUST DU CANADA

Vérificateurs

RAYMOND, CHABOT, MARTIN, PARÉ & CIE, C.A., Montréal

Siège social

360 OUEST, RUE ST-JACQUES, SUITE 1524, MONTRÉAL, QUÉBEC

Bureau régional

163, BOULEVARD PERREAU, BOURLAMAQUE, QUÉBEC



RAPPORT ANNUEL 1970

(LIBRE DE RESPONSABILITÉ PERSONNELLE)

DUCROS MINES LIMITED